



BUSHFIRE INDUSTRY Recovery Package

Sector Development Grants Guidelines

WE'RE HERE TO HELP

Have questions about this program?
Get in touch with your local
Regional NSW office.

Email: regionalnsw.business@dpc.nsw.gov.au

Phone: 1300 679 673



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Message from the Deputy Premier



The NSW forestry, horticulture and agriculture industries have played a pivotal role in building our State's thriving economy. The NSW Government recognises that these industries now face unprecedented challenges after years of prolonged drought, a summer of devastating bushfires, and most recently, the downturn caused by the COVID-19 pandemic.

The NSW Government's \$140 million Bushfire Industry Recovery Package will strengthen the resilience of these driver industries, generating jobs and economic activity. The funding will provide the direct assistance many businesses need to bounce back, in turn helping other businesses and communities that rely on these industries to remain viable into the future.

The Sector Development Grants, one of two funding streams in the Bushfire Industry Recovery Package, will support the medium to long-term resilience of the forestry, horticulture and agriculture industries in NSW impacted by the bushfires since 31 August 2019.

We've seen first-hand the devastating effects of the fires and know affected towns are doing it tough with job losses and economic decline.

This funding will underpin job creation through projects that increase value-add production and that also support supply-chain efficiencies, product diversification and market expansion.

Delivering a fair share to NSW regions has been a focus for the NSW Government. We have created a standalone Department of Regional NSW that will bring regional issues even closer to the centre of our government, working in lock-step with councils to support our regional communities.

While we work to improve everyday life across the regions, our focus has shifted to dealing with the impact of drought, bushfire and COVID-19. The Bushfire Industry Recovery Package will provide direct support for fire affected businesses and is a reminder that the NSW Government will do what's needed to protect jobs, create new employment opportunities and keep regional economies strong.

I encourage potential applicants to review the Sector Development Grants Guidelines and take every available opportunity to secure the funding needed to recover, grow and thrive.

A handwritten signature in black ink, appearing to read 'John Barilaro'. The signature is fluid and cursive, with the first letters of the first and last names being prominent.

The Hon John Barilaro

Deputy Premier

Minister for Regional New South Wales,
Industry and Trade

Minister for Disaster Recovery

Overview

The Bushfire Industry Recovery Package – Sector Development Grants provide funding to support the medium to long-term recovery and resilience of the forestry, horticulture and agriculture (aquaculture, dairy, viticulture and apiculture) industries in New South Wales impacted by the bushfires from 31 August 2019. Funding is available for projects that will be delivered in the medium to long-term to help industry-wide recovery and rebuilding, with a focus on job creation via projects that will build industry sustainability, increase value-add production, support supply-chain efficiencies, product diversification and market expansion.

Sector Development Grants are one of two funding streams in the NSW Government's \$140 million Bushfire Industry Recovery Package. The Supply Chain Support Grants funding stream has separate Guidelines and will focus on projects that will be delivered in the immediate to short-term to help producers and businesses rebuild and recover, with a focus on retaining jobs and enabling future production.

The overall objective of the Bushfire Industry Recovery Package is to enable the recovery and resilience of key engine (driver) industries of forestry, horticulture and agriculture via supporting:

- the immediate recovery needs of producers to enable a functional supply chain
- the creation and retention of jobs
- strengthening local supply chains
- increasing value adding production and diversification.

Objective

The objective of the Bushfire Industry Recovery Package – Sector Development Grants is to support medium to long-term job retention and creation in the forestry, horticulture, and agriculture industries in bushfire impacted regions via projects that will build industry sustainability, increase value-add production, support supply-chain efficiencies, product diversification and market expansion.

Key Dates

Applications open	19 May 2020
Applications close	26 July 2020 (11:59pm AEST)
Assessment	Complete end of August 2020
Announcement	From September 2020

In extenuating circumstances, late applications may be accepted at the sole discretion of the Department of Regional NSW.



Eligibility Criteria

Eligible applicants

- Forestry, horticulture and agriculture (aquaculture, dairy, viticulture and apiculture)/ businesses or businesses in the close supply or value chain of these industries.
- Incorporated industry associations, co-operatives, local councils or other organisations with a sector wide purpose in the forestry, horticulture and agriculture industries.

Applicants must:

- have an ABN, ACN, AIN or another identifier
- have the demonstrated skills and capacity to deliver the project
- have been impacted by bushfires from August 2019 onwards or represent members that have been impacted
- be financially viable.

Businesses, industry associations, local councils and other organisations are encouraged to work together to submit joint applications. A lead applicant will need to be nominated for all joint applications.

Ineligible applicants include:

- Commonwealth or NSW Government agencies
- organisations that do not have an ABN, AIN or other identifier
- businesses that are insolvent.

State Owned Corporations or statutory authorities cannot be the lead applicant for funding but can apply in partnership with eligible applicants.

Competitive Neutrality

The provision of financial assistance to businesses may require the consideration of competitive neutrality issues. Competitiveness neutrality issues will be reviewed as part of the assessment process to avoid advantaging or disadvantaging businesses that are legitimately competing in the same immediate market. Businesses whose primary operation is in the below industries will not be eligible for assistance under this program:

- retail
- localised trades
- administrative services
- most professional services.

Eligible projects

Projects must:

- have a primary focus on the retention and creation of jobs
- build industry sustainability, support/increase value-add production, supply-chain efficiencies, product diversification, market expansion or other activities that will support sustainable jobs including sector-wide professionalisation or business development with a focus on productivity, sustainability and growth
- be sustainable without continued government investment
- align with the relevant Bushfire Industry Recovery Plan or industry led recovery plan
- align with existing NSW Government policies and strategies
- have a minimum co-contribution of 50 per cent of the total project cost. Co-contributions can include direct cash and in-kind contributions to the project. Costs already incurred by businesses for eligible activities (and not already claimed/paid under another State or Commonwealth program or insurance) can be deemed as a co-contribution. Co-contributions of lower than 50 per cent may be considered in extenuating circumstances
- be able to commence within 12 months from announcement.

Examples of eligible projects include:

- replacement, upgrade or adaptation of existing plant and equipment including technology or energy efficiency upgrades
- sourcing of alternative production inputs for transition projects including fuel switching
- critical public or private infrastructure upgrades directly linked to supply chain efficiencies
- development of new manufacturing processes
- product, business or sector development
- regeneration of natural assets including site clearance
- industry feasibility, research and development studies
- upskilling, training and other projects to support workforce needs of industry, including through the supply chain
- business development programs such as coordination and advice to industry members on adapting to change or linking with existing or emerging opportunities
- industry wide marketing and promotion activities.

Ineligible projects include:

- projects that would fund the day-to-day operations of business
- projects that require ongoing funding from the NSW Government
- projects that are not aligned to the objective of the Bushfire Industry Recovery Package – Sector Development Grants
- projects that would proceed and be delivered on the same timeline without government financial assistance.

Eligible Grant Amounts

The minimum grant per application is \$50,000. The maximum grant per application is \$10 million.

Each application will require a co-contribution of 50 per cent of the total project cost. A co-contribution may include cash or in-kind contributions (such as labour or project management costs) as well as costs that have already been incurred towards the project. Co-contributions of lower than 50 per cent may be considered in extenuating circumstances.

All projects requesting a grant of \$5 million or greater will be required to submit a business case. A NSW Government template Business Case is available at nsw.gov.au/regional-growth-fund/writing-a-business-case-for-regional-infrastructure-funding.

Eligible Costs

Eligible grant costs include:

- capital and other costs directly related to the delivery of eligible projects.

Ineligible grants costs include:

- repayment of existing debts or budget deficits
- administrative, operational and maintenance costs not related to the subject project
- ongoing staff wages and salaries
- costs already funded by insurance or other NSW or Commonwealth Government programs
- improvements or repairs to residences (excluding worker accommodation)
- costs that require recurrent or ongoing funding from the NSW Government.

Assessment criteria

Projects will need to demonstrate:

- the number of local jobs that will be created or retained
- measurable outcomes that show how the project supports the productivity, sustainability and strengthening of the industry supply chain
- how the project contributes to and aligns with the overall industry recovery following the bushfires
- that the project is viable/deliverable
- that the project is affordable.

Application process

Applications will be submitted online and can be accessed at nsw.gov.au/bushfire-industry-recovery-package

Applications will be required to include:

- applicant details including ABN or another identifier
- financial statements (trading, profit & loss statements and balance sheets) for three continuous years
- evidence of participation in or representation of the forestry, horticulture, agriculture (aquaculture, dairy, apiculture, viticulture) industries or their supply chains
- evidence of project alignment to Commonwealth, State, regional and/or local strategies and plans
- evidence of experience in delivering projects similar in scope and scale to the project or otherwise demonstrates capability and capacity to deliver the project
- a detailed project scope
- a cash flow budget and underlying assumptions for the lifecycle of the project including ongoing benefits
- information on how the project meets the assessment criteria including projected jobs that will be created or retained over the first three years of the project (at a minimum)
- other expected benefits of the project and how they will be measured (other than employment)
- a copy of a feasibility study and/or business plan for the project
- a business case for projects requesting \$5 million or more in grant funding
- evidence of how the project relates to industry recovery following the impact of bushfires in NSW from 31 August 2019
- confirmation of the co-contribution to the project.

Assessment process

The Department of Regional NSW will lead the assessment of projects.

Applications will be assessed against the eligibility criteria set out in the Guidelines. Projects that are deemed eligible will proceed to be assessed against the assessment criteria set out in the Guidelines.

Where there is uncertainty or unintended outcomes that arise from the Program eligibility requirements a practical approach will be taken to resolve issues. Final eligibility determinations will be made at the discretion of the Program Assessment Panel, with advice and recommendations from the Department of Regional NSW.

All projects deemed eligible will be assessed against the Program assessment criteria. Viability/delivery and affordability will be viewed as threshold criteria. A cost-benefit analysis will be undertaken or coordinated by the Department of Regional NSW for all projects.

During the assessment process applicants may be requested to clarify or provide additional information to assist in the assessment process. Advice may be sought from other NSW Government agencies or other sources to assist in the assessment of projects.

An assessment panel will be convened to assess projects submitted under each industry sector. The core panel will consist of:

- representative(s) from Department of Regional NSW Public Works Advisory and Regional Development Group
- representative(s) from Department of Primary Industries
- a representative from NSW Treasury
- an independent probity advisor
- an independent NSW Government representative.



A minimum of one industry representative will join the core assessment panel as a non-voting member when assessing the projects in each specific area of forestry, horticulture, dairy, aquaculture, viticulture or apiculture industries. Representatives from NSW Department of Primary Industries or other areas of the NSW Government that specialise in each industry will also provide advice and guidance to the assessment panel as required.

The assessment panel will consider the individual merits of each project against the program criteria as well as how the project fits in a package of projects that will support overall industry recovery. Broader factors that may be considered when assessing an overall package of projects suitable for funding in a target industry include:

- variety of project size, scale, type and focus area
- quantum of funding available
- criticality of the project to the industry supply chain
- importance of a project to the local economy
- geographical spread of projects across bushfire impacted Functional Economic Regions
- project benefits relative to the impact from the bushfires in a local area
- suitability of projects for other government funding opportunities
- broader industry recovery context and outlook
- alignment with existing NSW Government policies and strategies and Regional Economic Development Strategies
- market failure, market barriers and the role of government.

The assessment panel may recommend part-funding of projects where there is insufficient funding available for the whole project or where only a component of the project is considered suitable/eligible for funding.

The assessment panel will provide advice to government on projects in each industry that are suitable for funding in the context of an overall industry recovery package for each sector.

Successful projects will be approved by the Expenditure Review Committee.

All projects may be referred to other funding programs in the NSW or Commonwealth Government for consideration.

Probity advice

Independent probity advisers will provide guidance on issues concerning integrity, fairness and accountability that may arise throughout application, assessment and decision process. This will help ensure decisions are made with integrity, fairness and accountability, while delivering value for money for NSW.



Successful projects

Successful applicants will be notified in writing via email and/or letter. Applicants may be requested to keep the grant confidential for a period of time if an announcement will be made by the NSW Government.

Applicants will be required to enter a funding deed with the NSW Government, which will include a requirement that the applicant has and can provide a copy of all relevant insurances, such as public liability insurance or other insurance depending on the project.

Successful applicants may be required to submit project progress reports to the NSW Government as outlined in the funding deed. Grants will be paid via milestone payments set out in the funding deed and timing and requirements will vary depending on the scope and timelines of the project. Examples of measures to be included in the report are completion of project activities and number of full-time equivalent employees created or retained as a result of the project.

Applicants should note:

- the NSW Government may choose to publicly announce grant funding for individual applications
- requests for variations or changes to the project will only be considered in limited circumstances
- successful applicants will be required to pay back unspent funds or those funds which have not been spent in accordance with the funding deed
- successful applicants will be required to participate in a program evaluation after the project has commenced to determine the extent to which their projects have contributed to the objectives of the funding package. The evaluation will require applicants to provide evidence of how projects have resulted in measurable benefits that are consistent with the objectives of the fund, with a focus on employment, recovery and growth
- all recipients of NSW Government funding should acknowledge this financial support as per the Funding Acknowledgement Guidelines for Recipients of NSW Government Grants available at communications.dpc.nsw.gov.au/branding
- the Department reserves the right to undertake an audit of grant funding within seven years.

Unsuccessful applicants will be notified in writing of the outcome of each application and will be offered a feedback information session.

Getting support

Frequently asked questions and other resources to assist with applications are available at nsw.gov.au/bushfire-industry-recovery-package

Department of Regional NSW Business Development Managers are available to support applicants with their applications. Please contact regionalnsw.business@dpc.nsw.gov.au or 1300 679 673 for a referral to the appropriate regional team.

Before applying for funding under this program or making any decision, applicants should seek advice from their legal, business and financial advisers to determine their eligibility for, and the terms of the funding.

Complaints

Any concerns about the program or individual applications should be submitted in writing to regionalnsw.business@dpc.nsw.gov.au

If you do not agree with the way the department handled the issue, you may wish to contact the NSW Ombudsman via ombo.nsw.gov.au

More information

nsw.gov.au/bushfire-industry-recovery-package

Contact us

Email: regionalnsw.business@dpc.nsw.gov.au

Call: 1300 679 673

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